Form MR-SMO (Revised 1/92) This Section for DOGM Use:
Assigned DOGM File No.: S 103/1003
DOGM Lead: 1 L M K



State of Utah

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 (801) 538-5340 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104) Name of Claim/Mine:____DEER TRAIL 1. UNICO, INC. 2. Name of Operator/Applicant: Company () Corporation (X) Partnership () Individual () 3. Permanent Address: P.O. Box 777, City: Magalia State: CA State Zip Code: 95945 Telephone Number: (916) 873-4394 4. Ownership of Land Surface: Private (Fee) Public Domain (BLM) National Forest (USFS) □ State of Utah Other: 5. Ownership of Minerals: Private (Fee) Public Domain (BLM) ☐ National Forest (USFS) ☐

Other: See Attachment

		<pre>Utah Mining Claim Number(s): 95751 Portal #2 (Patented calims have no UMC number)</pre>					
		Utah State Lease Number(s): N/A					
	6.	Have the above owners been notified in writing? Yes x No If no, why not?					
	7.	Does the operator have legal right to enter and conduct mining operations on the land covered by this notice? Yes X No No					
II.	PROJI	PROJECT LOCATION & MAP (Rule R647-3-105)					
	1.	Project Location (legal description): County(ies): Piute County					
SE_	1/4, of	SW 1/4, of NW 1/4: Section: 12 Township: 28 Range: 4W SE 1/4, of NW 1/4: Section: 11 Township: 28 Range: 4W NW 1/4, of NE 1/4: Section: 13 Township: 28 Range: 4W					
	2.	A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the operator also plot and label any previous disturbances in the immediate vicinity that he is not responsible for.					
III.	<u>OPER</u>	ATION PLAN (Rule R647-3-106)					
	1.	Type of mining: Surface ☒ Underground □					
	2.	Mineral(s) to be mined: Gold and Silver					
	3.	Provide a brief description of the proposed mining operation and onsite processing facilities. *See Attachment					
		New Road(s): Length None (ft) Width None (ft) None					
		Total project surface acreage to be disturbed: 5 (acres) Total project surface 4½ acres on patented property, ½ acre					

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IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- 5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- 6. Remove all waste or debris from stream channels.
- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by ripping, discing, or harrowing.
- 13. Reseed disturbed areas with adaptable species. (The Division recommends seeding 20 lbs./acre of native and introduced species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or if broadcast seeded, harrow or rake the seed 1/4-1/2 inch into the soil fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)									
Yes □ No 🖾									
Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).									
Item Number Variance Request Justification									
N/A N/A									
N/A N/A									
N/A N/A									
N/A N/A									
VI. <u>SIGNATURE REQUIREMENT</u>									
I hereby commit to conduct mining operations and to reclaim the aforementioned small									
mine as required by the Utah Mined Land Reclamation Act (40-8) and the rules as									
specified by the Board of Oil, Gas and Mining.									
$\mathcal{A}\mathcal{A}$									
Signature of Operator/Applicant:									
Name (typed or printed): Steven Frans									

3:MR-SMO

Date:

Title/Position (if applicable):

PROJECT LOCATION & MAP

1. Piute County

1. The county	Section	Township	Range
SW 1/4, of SW 1/4 of NW 1/4	12	28	4W
SE 1/4, of SE 1/4 of NW 1/4	11	28 -	4W
NW 1/4, of NW 1/4 of SW 1/4	12	28	4W
NW 1/4, of NW 1/4 of SE 1/4	11	28	4W
NW 1/4, of NW 1/4 of NE 1/4	13	28	4W

2. * SEE ATTACHMENT

OPERATION PLAN:

- 1. Surface
- 2. Gold & Silver

3. * SEE ATTACHMENT

The system to process the tailings consists of a chloride leach system for removal of the gold and silver. The effluent from the leaching process is then treated by an EML propriety waste treatment system for removal of all heavy metals and destruction of other contaminates. The treated water, which meets all federal and state discharge requirements, is then reused in the leech operation. The sludge from the treatment system is inert and will be returned to the presently constituted containment pond. The precious metals removed during the leach operation will be extracted from the pregnant solution and the chemicals in the solution will be reused in the leeching operation. THE SYSTEM IS A CLOSED LOOP SYSTEM.

NO DISCHARGE OF CHEMICALS OR WATER WILL OCCUR.

New Roads: None

Total project surface 4&1/2 acres on patented property, 1/2 acre on U.S. Forest land. Total 5 acres

SMALL MINING PLAN

GENERAL INFORMATION:

- 1. Deer Trail
- 2. Unico, Inc. (and Arizona corporation)
- 3. P.O. Box 777, Mangaila, California 95945
- 4. 4 and one-half acres are patented fee land, one-half acre is located on U.S. Forest Service land

The 4 & 1/2 acres of patented land are owned by Deer Trail Development Corporation, (Deer Trail) of 12900 Preston Road, Suite 1112, Dallas Texas 75230. The claims on the referenced property are leased to Unico, Inc., P.O. Box 777, Mangaila, California 95945

5. Private (fee) See No. 4.

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Utah mining Claim Numbers:

95751 Portal #2

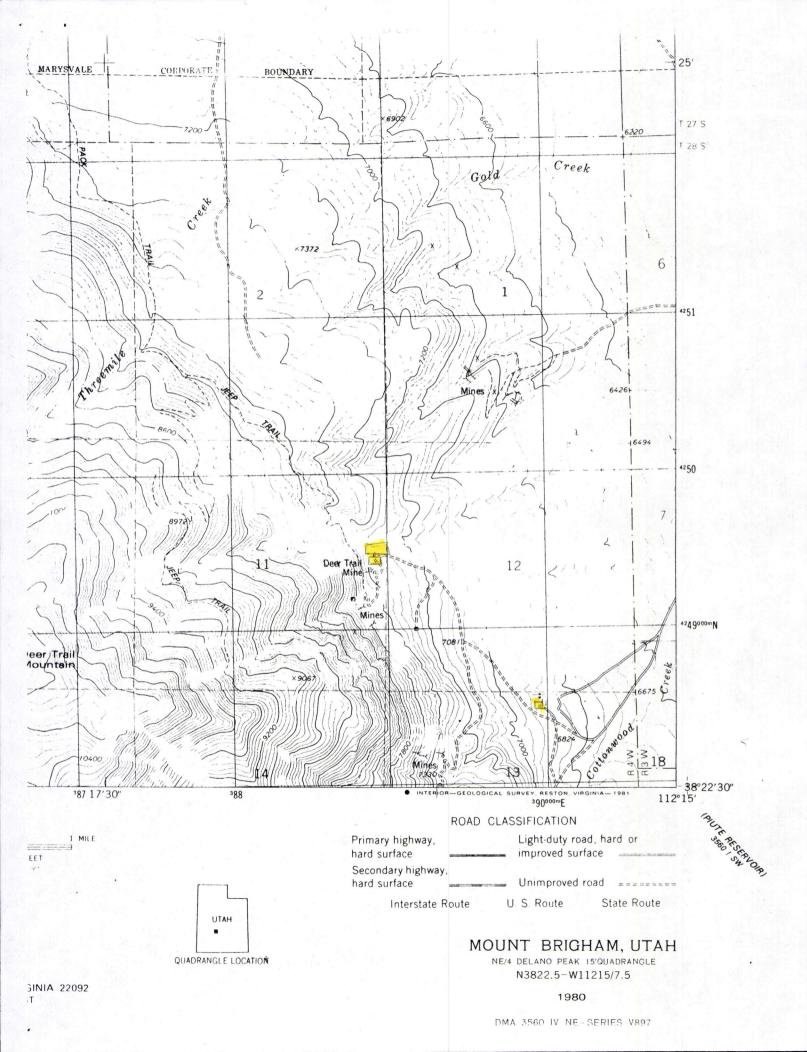
(the patented claims have

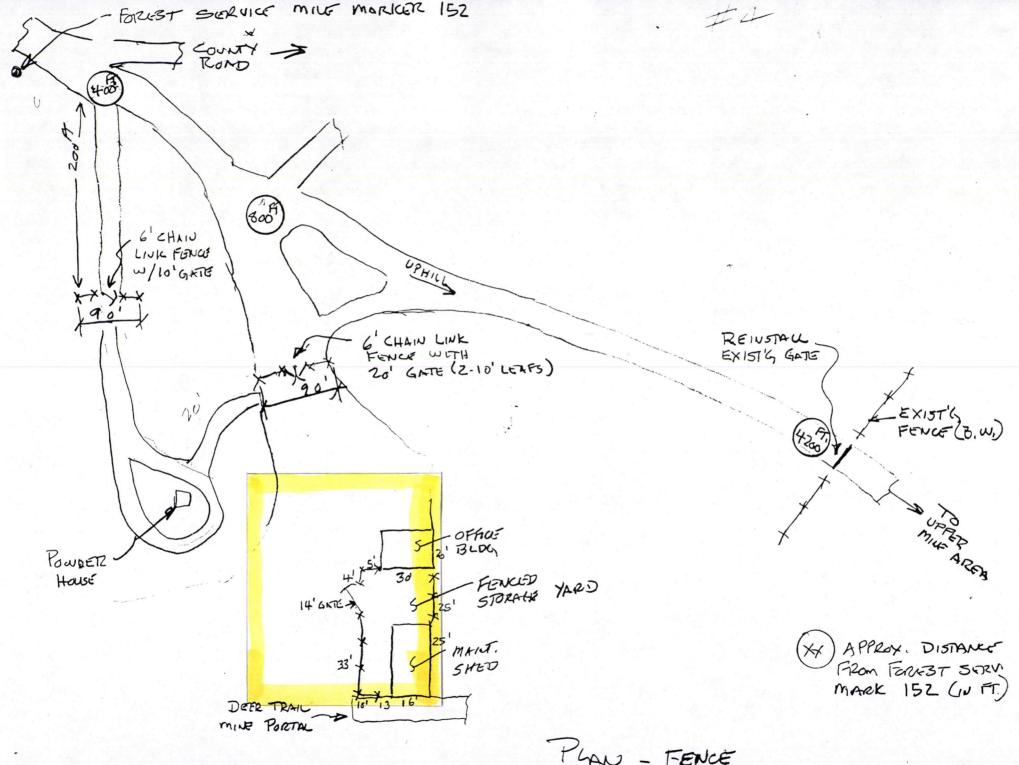
no UMC numbers)

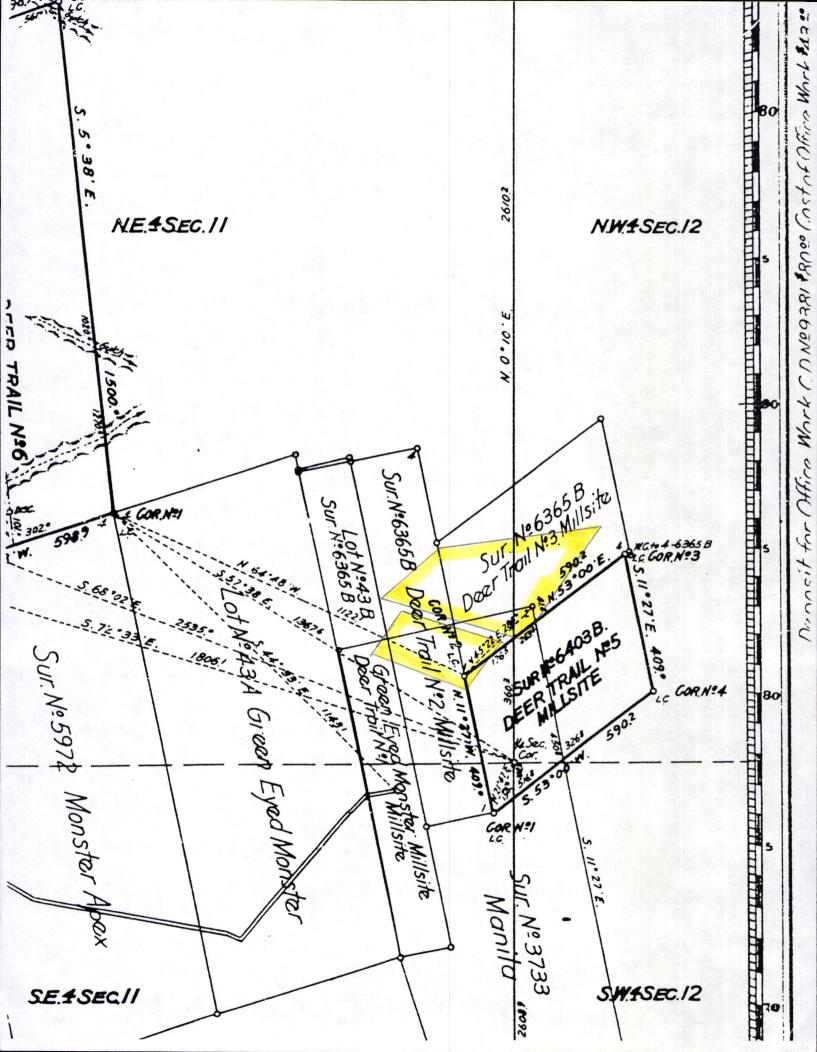
Deale State Lease Numbers:

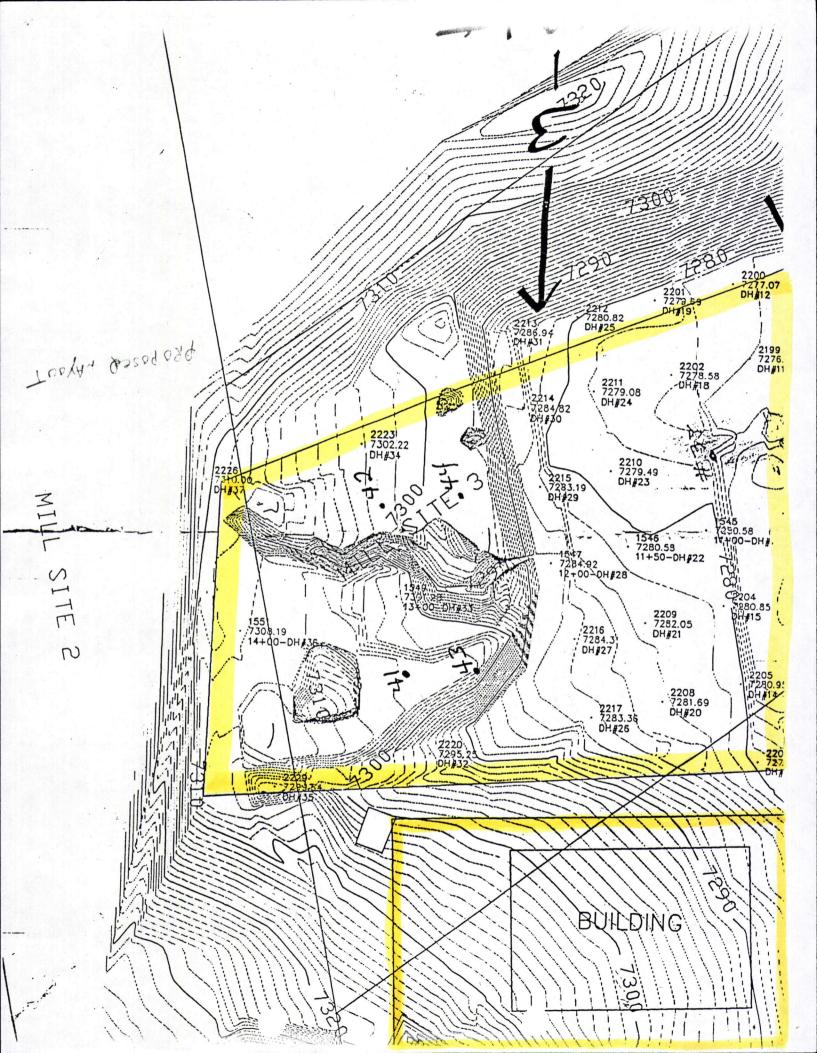
CLAIM NO.	<u>NAME</u>	<u>SECTION</u>	TOWNSHIP	RANGE
3 MS	Deer Trail Mill Site No. 3	11&12	28	4W
5 MS	Deer Trail Mill Site No. 5	11&12	28	4W
95751	Portal No. 2	13	28	4W

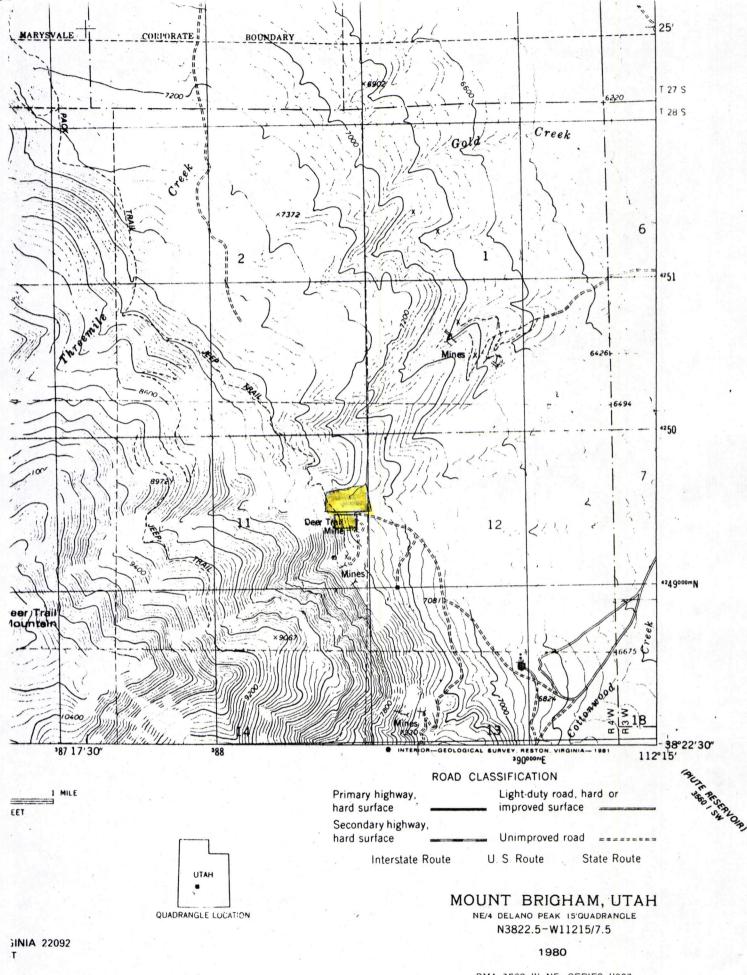
- 6. Yes
- 7. Yes











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